

FOX ROTHSCHILD LLP

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Michael A. Sweet, Esq.
Michael R. Herz, Esq.

Attorneys for Mawson Entities

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:
	: Chapter 11
CELSIUS NETWORK LLC, <i>et al.</i> , ¹	:
	: Case No. 22-10964 (MG)
Debtors.	:
	: Jointly Administered
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**DECLARATION OF MICHAEL A. SWEET, ESQ. IN SUPPORT OF MOTION OF
MAWSON INFRASTRUCTURE GROUP, INC., LUNA SQUARES LLC, AND COSMOS
INFRASTRUCTURE FOR ENTRY OF AN ORDER PURSUANT TO FED.R.CIV.P. 60(b)
GRANTING RELIEF FROM ORDER (I) AUTHORIZING THE DEBTORS TO ISSUE
SUBPOENAS UNDER FEDERAL RULES OF BANKRUPTCY PROCEDURE 2004 AND
9016 TO MAWSON INFRASTRUCTURE GROUP IN., LUNA SQUARES, LLC, AND
COSMOS INFRASTRUCTURE LLC AND (II) GRANTING RELATED RELIEF**

I, Michael A. Sweet, declare under penalty of perjury as follows:

1. I am a partner of the firm of Fox Rothschild LLP, attorneys for Mawson Infrastructure Group, Inc., Luna Squares LLC, and Cosmos Infrastructure (collectively, the “Mawson Entities”), and I submit this Declaration based on my personal knowledge and review of pertinent documentation in support of the Mawson Entities’ motion for entry of an order pursuant to Federal Rule of Civil Procedure 60(b) and 11 U.S.C. § 105(a),, granting the Mawson

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

Entities relief from the Court's *Order (I) Authorizing the Debtors to Issue Subpoenas Under Federal Rules of Bankruptcy Procedure 2004 and 9019 to Mawson Infrastructure Group, Inc., Luna Squares LLC, and Cosmos Infrastructure LLC and (II) Granting Related Relief* [Docket No. 3091], entered on July 26, 2023, in the form of either (i) vacating the Discovery Order, or (ii) modifying the Discovery Order to require the Debtors to properly issue and serve subpoenas while preserving the Mawson Entities' rights in responding or objecting thereto, and granting such further relief as the Court deems just and proper.

2. Attached as Exhibit A is a copy of a July 13, 2023 email exchange I had with Debtors' counsel.

3. Attached as Exhibit B is a copy of an email exchange I had with Debtors' counsel between July 26, 2023 and August 1, 2023.

4. Attached as Exhibit C is a copy of an email exchange I had with Debtors' counsel between August 1, 2023 and August 2, 2023.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: August 7, 2023

By: /s/ Michael A. Sweet
Michael A. Sweet

EXHIBIT A

From: Kwasteniet, Ross M. <rkwasteniet@kirkland.com>

Sent: Thursday, July 13, 2023 20:05

To: Sweet, Michael A. <MSweet@foxrothschild.com>

Cc: Latona, Dan <dan.latona@kirkland.com>; Koenig, Chris <chris.koenig@kirkland.com>; Wofford, Keith <kwofford@whitecase.com>; O'Connell, Caitlin <caitlin.o'connell@whitecase.com>; DiPasquale, Joseph J. <JDIPasquale@foxrothschild.com>

Subject: [EXT] Re: Celsius // Mawson

You forgot to mention the option where Celsius enforces its valid contractual rights. Sneak preview of coming attractions...that's the one we are going with. Your email is a joke and you seem to not appreciate who you are dealing with.

Ross M. Kwasteniet, P.C.

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ross.kwasteniet@kirkland.com

On Jul 13, 2023, at 9:54 PM, Sweet, Michael A. <MSweet@foxrothschild.com> wrote:

Gentlemen,

We appreciate your taking the for a call on Friday to discuss the relationship between Celsius and Mawson.

In advance of our discussion, I wanted to share our thoughts on where things stand with regard to the relationship as well as how the parties might (or might not) choose to forge a path forward.

Mawson is happy to continue its relationship with Celsius, however we need to know that Celsius is willing and able to truly partner with Mawson. Mawson, under its new leadership, is looking to enhance its focus and deliver value across its stakeholders.

As such, Mawson seeks feedback from Celsius on which of the following paths would make sense for Mawson/Celsius relationship moving forward:

(1) Mawson is aware that Celsius has unsuccessfully attempted to sell debt at cents on the dollar. Mawson is willing to change the relationship from Celsius being both a commercial partner and lender, to a pure commercial relationship and is willing to purchase the debt at similar value at what Celsius has reached arrangements with others. Mawson will provide releases of claims it may have against Celsius arising out of credit relationship.

(2) Mawson and Celsius continue their current dual relationship long-term, with Celsius extending the loan repayment timeline and Mawson extending the commercial relationship at current terms for the same period as the extended repayment timeline. Mawson will provide releases of claims it may have against Celsius arising out of credit relationship.

(3) Mawson and Celsius agree to a reasonable forbearance without onerous conditions as well as the commensurate extension of the commercial contract until September 30th. This will allow both parties to have sufficient time to continue productive discussions and explore mutual options.

(4) Celsius refuses to provide Mawson with a reasonable forbearance without onerous conditions, effectively indicating that there is no future for a Mawson/Celsius relationship. Mawson, as a result, immediately announces that it will not be extending the commercial contract and issues appropriate press releases, advances discussions with other parties to replace Celsius, and in addition reserves all rights. Naturally, in the event Celsius commences litigation, Mawson will aggressively both defend itself and pursue its own claims.

I am looking forward to speaking tomorrow to understanding your clients' preferred option given the circumstances.

Of course, all rights are reserved.

Thanks.

Michael Sweet, Partner
Fox Rothschild LLP
415-364-5560 (office)
415-359-7933 (mobile)

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recipient, or the employee or agent authorized to receive for the intended recipient, you may not copy, disclose or use any contents in this email. If you have received this email in error, please immediately notify the sender at Fox Rothschild LLP by replying to this email and delete the original and reply emails. Thank you.

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EXHIBIT B

From: Sweet, Michael A. <MSweet@foxrothschild.com>

Sent: August 1, 2023 8:08 PM

To: Latona, Dan <dan.latona@kirkland.com>

Cc: Kwasteniet, Ross M. <rkwasteniet@kirkland.com>; Brown, Judson <jdbrown@kirkland.com>; Koenig, Chris <chris.koenig@kirkland.com>; McCarrick, T.J. <tj.mccarrick@kirkland.com>; Brier, Grace C.

<grace.brier@kirkland.com>; kwofford@whitecase.com; Dolgin, Jonathan

<JDolgin@foxrothschild.com>; Loureiro, Patricia Walsh <patricia.walsh@kirkland.com>

Subject: RE: In re Celsius Network LLC

Dan,

I'm sorry. We are not authorized to accept service of this.

Michael Sweet, Partner

Fox Rothschild LLP

415-364-5560

From: Latona, Dan <dan.latona@kirkland.com>

Sent: Wednesday, July 26, 2023 1:33 PM

To: Sweet, Michael A. <MSweet@foxrothschild.com>

Cc: Kwasteniet, Ross M. <rkwasteniet@kirkland.com>; Brown, Judson <jdbrown@kirkland.com>; Koenig, Chris <chris.koenig@kirkland.com>; McCarrick, T.J. <tj.mccarrick@kirkland.com>; Brier, Grace C.

<grace.brier@kirkland.com>; kwofford@whitecase.com; Dolgin, Jonathan

<JDolgin@foxrothschild.com>; Loureiro, Patricia Walsh <patricia.walsh@kirkland.com>

Subject: [EXT] Re: In re Celsius Network LLC

Michael, the attached order regarding the below motion was just entered. We look forward to your production.

Dan Latona

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300 North LaSalle, Chicago, IL 60654

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dan.latona@kirkland.com

EXHIBIT C

From: Kwasteniet, Ross M. <rkwasteniet@kirkland.com>

Sent: Wednesday, August 2, 2023 7:03:17 PM

To: Sweet, Michael A. <MSweet@foxrothschild.com>

Cc: Latona, Dan <dan.latona@kirkland.com>; Brown, Judson <jdbrown@kirkland.com>; Koenig, Chris <chris.koenig@kirkland.com>; McCarrick, T.J. <tj.mccarrick@kirkland.com>; Brier, Grace C. <grace.brier@kirkland.com>; kwofford@whitecase.com <kwofford@whitecase.com>; Dolgin, Jonathan <JDolgin@foxrothschild.com>; Loureiro, Patricia Walsh <patricia.walsh@kirkland.com>

Subject: [EXT] Re: In re Celsius Network LLC

We will have you in front of Judge Glenn early next week to sort out any confusion if your client doesn't comply. Also you are on notice of our claim for the return of the deposit and for your client's misappropriation of collateral, and we reserve rights against anyone and everyone involved in any capital raising activity that violates our rights and claims.

Ross M. Kwasteniet, P.C.

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ross.kwasteniet@kirkland.com

On Aug 2, 2023, at 9:35 PM, Sweet, Michael A. <MSweet@foxrothschild.com> wrote:

Dan,

Are you sure? I don't see a certificate of service on the Stretto site. Was a subpoena issued?

Michael Sweet, Partner

Fox Rothschild LLP

415-364-5560 (office)

415-359-7933 (mobile)

From: Latona, Dan <dan.latona@kirkland.com>

Sent: Tuesday, August 1, 2023 19:14

To: Sweet, Michael A. <MSweet@foxrothschild.com>

Cc: Kwasteniet, Ross M. <rkwasteniet@kirkland.com>; Brown, Judson <jdbrown@kirkland.com>; Koenig, Chris <chris.koenig@kirkland.com>; McCarrick, T.J. <tj.mccarrick@kirkland.com>; Brier, Grace C. <grace.brier@kirkland.com>; kwofford@whitecase.com <kwofford@whitecase.com>; Dolgin, Jonathan <JDolgin@foxrothschild.com>; Loureiro, Patricia Walsh <patricia.walsh@kirkland.com>

Subject: [EXT] Re: In re Celsius Network LLC

Hi Michael, the motion and order were served on your client by Stretto. This was an FYI to you as counsel.

Please confirm your client intends to comply with a federal bankruptcy court order by the return deadline next Wednesday.

In addition, please confirm that your client has fixed the collateral issue we've raised several times.

All rights reserved.

Dan Latona

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